

***Grindeks*** – leading pharmaceutical company in the Baltic States

**Grindex**

A Newton's cradle with five silver spheres is centered in the image. The spheres are arranged in a triangular pattern, with one sphere at the top and four at the base. The background is a solid blue color with a subtle grid pattern on the floor. The text "From science to health" is overlaid in white, bold, sans-serif font across the center of the image.

**From science to health**

# Grindeks 60 years of growth story

Grindex

- 1946        Experimental Vitamin plant joins the Academy of Sciences
- 1957        The Experimental Plant of the Institute of Organic Synthesis is founded
- 1985        Riga Antibiotics Plant merges with the Experimental Plant of the Institute of Organic Synthesis
- 1991        Latvian State Pharmaceutical Company *Grindeks* was founded with Latvian independence
- 1997        State Company *Grindeks* was privatised and Public Joint Stock Company *Grindeks* established
- 1998        *Grindeks* acquires 55% of the shares of Tallinn Pharmaceutical Plant (TPP)
- 2004        *Grindeks* acquires controlling stake of the JSC *Kalceks*
- 2006        *Grindeks* establishes two subsidiary companies:
- *Namu apsaimniekošanas projekti Ltd.*
  - *Grindeks Rus Ltd.* (in Russia)
- 2007        *Grindeks* becomes the only owner of TPP



We are concerned about public health, employee motivation and welfare of our shareholders.

We are innovation based and environmentally friendly company.

## Our Focus

- **Brand products** – research, development and manufacturing, investing in the creation of completely new medications and improvement of the existing products.
- Continuous additions to the **product portfolio**, registration of medications in many countries of the world.
- Expansion of the **pharmaceutical holding**, developing new representative offices in foreign countries and searching for the possibilities in acquiring other pharmaceutical enterprises.
- Expansion of the international **sales network**, development in the new markets.

Research, development, manufacturing and sales of:

- brand products;
- generic products;
- active pharmaceutical ingredients.



# Our greatest value – brand products

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Two main brand products: **Mildronate®** and **Ftorafur®**

## Mildronate®:

- leading cardiovascular medication;
- comprises up to 70% from the total sales of the company;
- one of the leading export products of Latvia.

## Ftorafur®:

- anti-cancer agent;
- successful substance export to Japan.



# Manufacturing Value - finished product with high added value

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- Latest technology fitted plants ensuring the manufacture of the highest quality products
- Management systems in the fields of quality, environment and safety documentation
- Manufacturing in compliance with the standards of *Good Manufacturing Practice (GMP)* certificate.
- Main therapeutic groups of ready-made forms: heart and cardiovascular medications, anti-cancer agents, *CNS* drugs, analgesic, cough and flu medications.



# Manufacturing Value – active pharmaceutical ingredients

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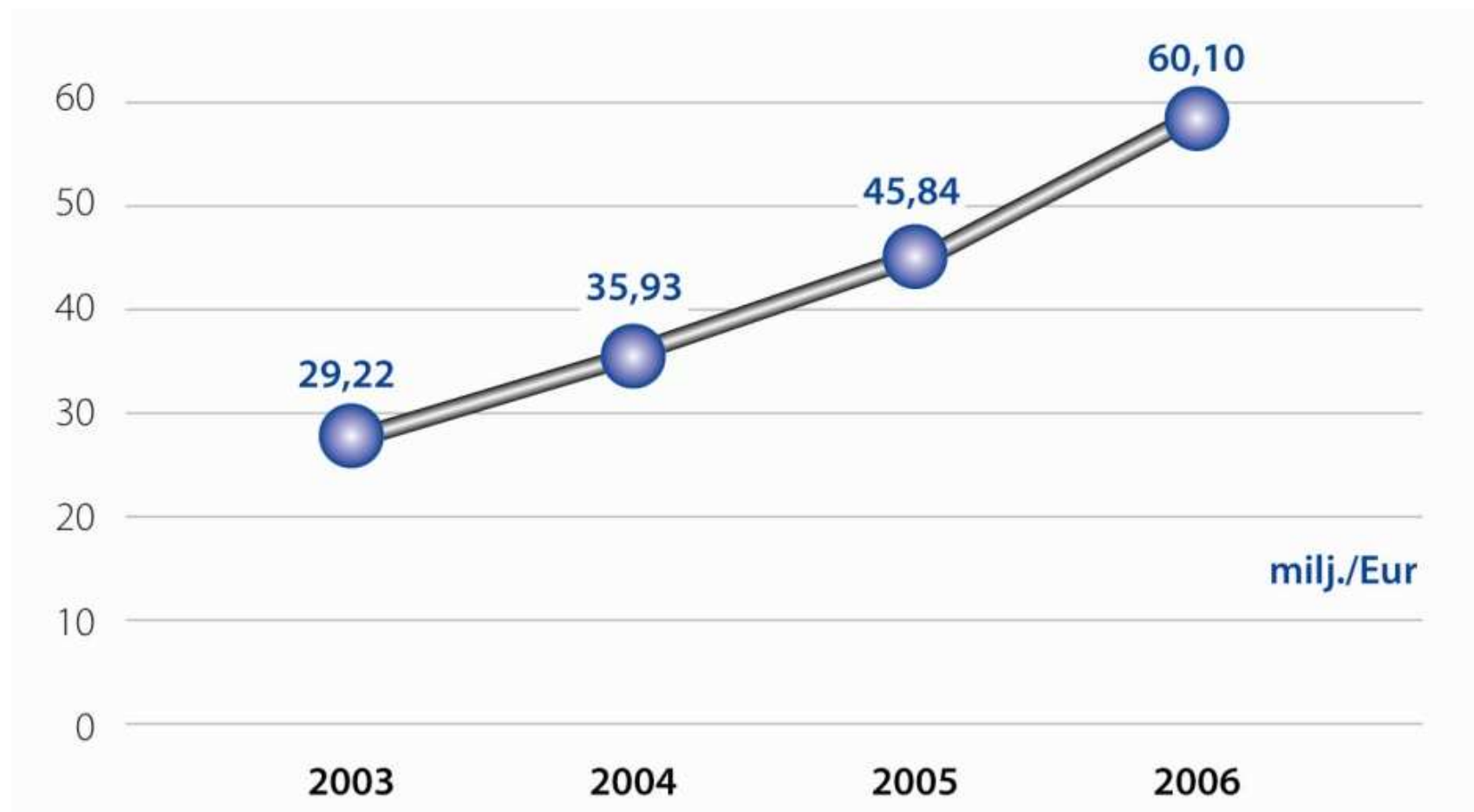
- Production of 14 different active pharmaceutical ingredients on a regular basis
- Local and international audits/inspections recognising the compliance of the plants with the *GMP* standards, 5-7 tests every year
- Main products – *mildronate*, *ftorafur*, *zopiclone* and *oxytocin*
- Offering complex products, created in multi-stage synthesis
- Research and Development (R&D) laboratories every year develops 4-5 methods of the synthesis of active pharmaceutical ingredients.
- *Grindex's* new Analytical Scaling Laboratory is certified accordingly to the requirements of *Good Laboratory Practice* that attests the compliance of this laboratory with the highest laboratory standards of the world
- 45 highly qualified specialists work in R&D
- API are exported to *Taiho Pharmaceutical* (Japan), *Merck Generick* (Germany), *Orion* (Finland), *Polypeptide* (Denmark), *Meda* (Sweden), *Eurovet* (Holland), *Arrow* (United Kingdom) etc.

# Research & Development

- Every year *Grindex* invests no less than 10% of net sales in research
- Mainly resources are invested in development of new products on the level of ready made forms and active pharmaceutical ingredients, clinical trials and development of new technologies
- Successful cooperation with local and foreign partners offers the opportunity to implement latest technologies and methodologies in a short period of time
- Investments in the latest technologies lead to new, effective client problem solving methods

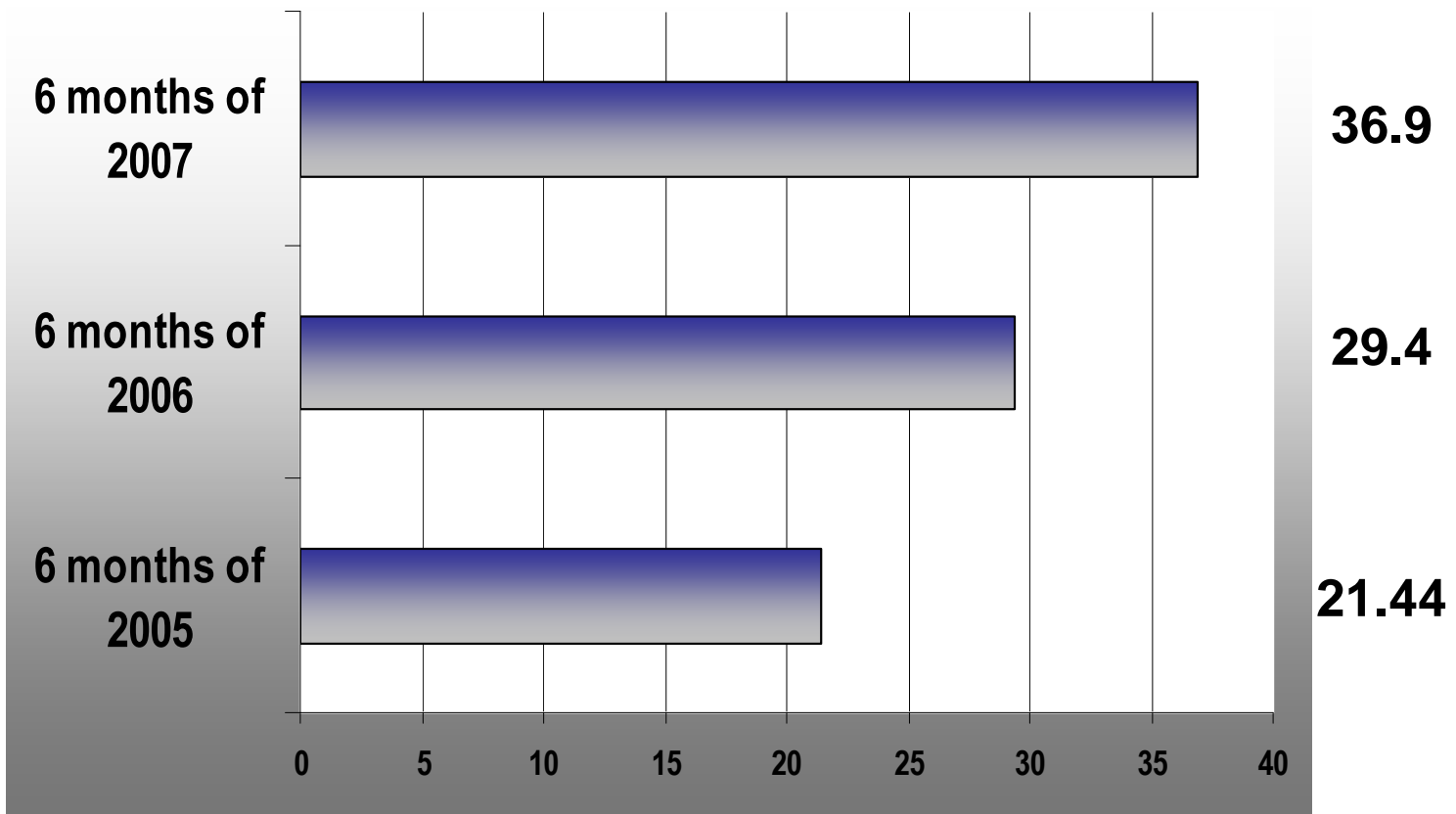
# Sales 2003-2006

Grindex

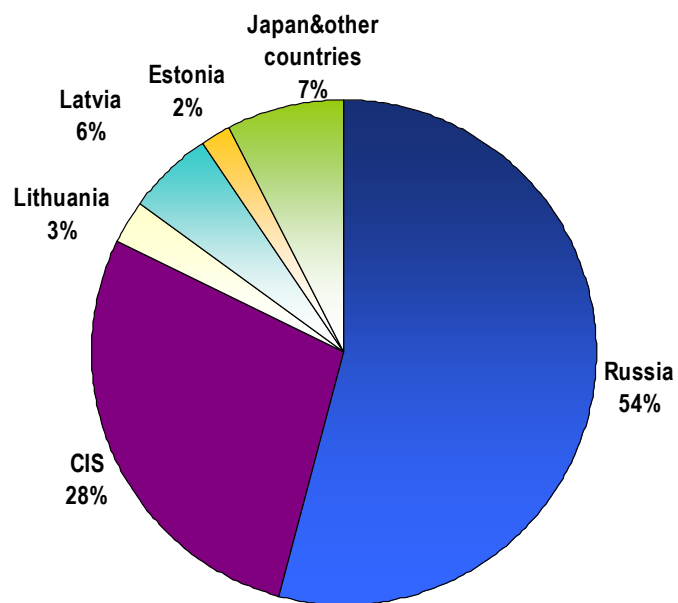


# Sales Dynamics in 6 months (mill.EUR)

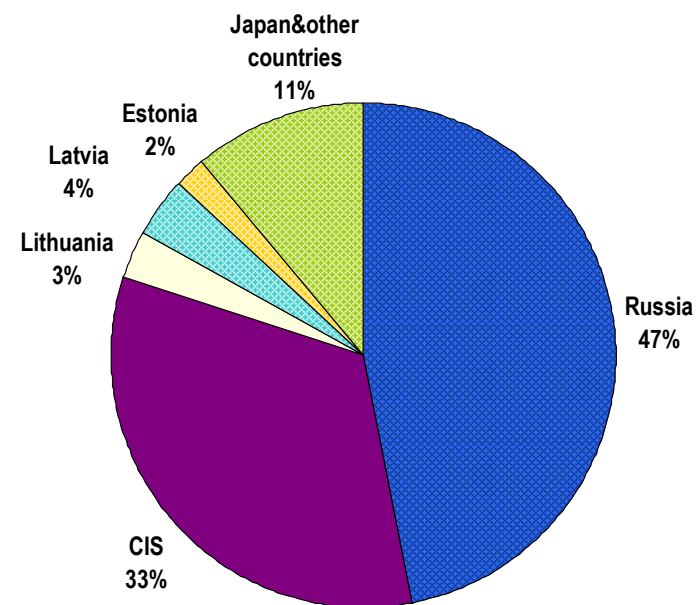
Grindex



## 2006



## 2007



- To continue to work on new product development, investing in R&D no less than 10% of net sales
- To continue to increase product portfolio, purchasing new products and registering them both in new and in the existent markets
- To work on entering in the new markets with high potential such as People's Republic of China, Turkey etc.
- To work on the development of new version of Mildronate to extend life cycle
- To reach net turnover of 75 million LVL in 2009, keeping the current level of net profit margin

# Grindeks share price in the six months of 2007 (LVL)

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*(RSE data)*

- Products are exported to more than 40 countries and export comprises 94% of the total sales
- Representative offices ensure product registration process in these countries, as well as sales and promotion of these medications in the local markets
- *Grindeks* representative offices are being developed in Poland, Czech Republic, Hungary, Azerbaijan, Uzbekistan, Armenia etc.
- Russia and CIS countries are historically developed, significant market of *Grindeks* products, sales of products in these countries are being enhanced by well developed network of representative offices
- Continuous registration process of main medications in European markets – Bulgaria, Finland etc.

- Main export markets of Active Pharmaceutical Ingredients (API) – Europe, Japan, USA, Australia, Pakistan, India
- Major cooperation partners – *Taiho Pharmaceutical* (Japan), *GDL International* (USA), *Merck Generick* (Germany)
- Registration of active pharmaceutical substances according to requirements of Europe Pharmacopea (CEP for *zopiclone* and *oxytocin*) gives great potential for exporting to EU markets
- Currently a registration certificate for all Europe has been issued to *zopiclone* and active pharmaceutical ingredient *oxytocin*
- Focus on the delivery of active ingredients developed in complex synthesis in regulated, high quality product markets – USA, Japan, Australia

Highly qualified personnel is the greatest asset of *Grindex*!

- Number of employees - 840
- Well developed and stable personnel policy
- 50% employees with university education
- Average length of service – 10 years



## Quality assurance

- Certificate ISO 9001:2000 that acknowledges the compliance of *Grindex's* quality management system with international ISO 9001:2000 standards.
- Certificate of *Good Manufacturing Practice* (GMP) ensures export of the products to EU countries, USA, Japan
- Certificate of *Good Laboratory Practice* (GLP)
- Approval of Food and Drug Administration (*FDA*) for the export of API *oxytocine, xylazine, detomidine* to USA
- Approval of Australian inspection (*TGA*) for the export of *zopiclone* to Australia
- Approval of European Chemistry Federation Active Pharmaceutical Ingredients Committee about the compliance of *Grindex's* manufacturing plant to all main EU provided guidelines (*ICH Q7A*) that regulate manufacturing of the Active pharmaceutical ingredients
- Computerized document management system

## Our achievements

- High quality products
- Successful local/international audits and inspections
- Awards for the environmentally friendly actions and investments in the work place safety

# Contact details

Grindex



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